

## CITY OF NEW YORK CONFLICTS OF INTEREST BOARD

2 Lafayette Street, Suite 1010  
New York, New York 10007

(212) 442-1400

Fax: (212) 442-1407 TDD: (212) 442-1443

December 6, 2011

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*Board Member*

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*Board Member*

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*Board Member*

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*Executive Director*

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& General Counsel*

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*Special Counsel &  
Director of Financial  
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Education*

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Derick Yu  
*Director of Information  
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### **FOR IMMEDIATE RELEASE**

### **FORMER CHIEF FINANCIAL OFFICER AT THE DEPARTMENT OF EDUCATION FINED \$6,500 FOR USING HIS DOE E-MAIL ACCOUNT FOR PRIVATE, NON-CITY PURPOSES.**

The New York City Conflicts of Interest Board (the "Board") has concluded a settlement with the former Chief Financial Officer for the New York City Department of Education ("DOE") for using his DOE e-mail account to perform work related to (a) a private financial services firm at which he became employed upon leaving DOE; and (b) his private real estate investment business. The former Chief Financial Officer acknowledged that his conduct violated the City of New York's conflicts of interest law, which prohibits a public servant from using City resources to pursue private, non-City activities.

For this misconduct, the former Chief Financial Officer agreed to pay a \$6,500 fine to the Board. A copy of the disposition is attached.

The Board took the occasion of this disposition to remind public servants that they are prohibited from engaging in private activities on City time and from using City resources – which include, for example, City vehicles, computers, telephones, and e-mail accounts – for any personal, non-City purpose, in particular for any private business or outside employment. Public servants who have any questions about the City's conflicts of interest law are urged to contact the Board, which can be reached at (212) 442-1400.

The Conflicts of Interest Board is the City's ethics board and is responsible for enforcing Chapter 68 of the New York City Charter, the City's conflicts of interest law. The Board is composed of five members, appointed by the Mayor with the advice and consent of the City Council. Board penalties are civil fines.

Carolyn Lisa Miller, Director of Enforcement, handled this case for the Board. The Board gratefully acknowledges the work of its confidential investigative arm, the New York City Department of Investigation ("DOI"), DOI Commissioner Rose Gill Hearn, the Special Commissioner of Investigation for

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the New York City School District (“SCI”), Special Commissioner Richard J. Condon, and SCI Investigator William LaVasseur, who handled the investigation.

The Board does not comment on Board dispositions, except as set forth above. For copies of any additional public documents, e-mail [miller@coib.nyc.gov](mailto:miller@coib.nyc.gov).

THE CITY OF NEW YORK  
CONFLICTS OF INTEREST BOARD

----- X  
In the Matter of :

GEORGE RAAB :

Respondent. :

**DISPOSITION**

COIB Case No. 2011-368  
----- X

**WHEREAS**, the New York City Conflicts of Interest Board (the “Board”) commenced an enforcement action pursuant to Section 2603(h)(1) of Chapter 68 of the New York City Charter (“Chapter 68”) against George Raab (“Respondent”); and

**WHEREAS**, the Board and Respondent wish to resolve this matter on the following terms,

**IT IS HEREBY AGREED** by and between the parties as follows:

1. In full satisfaction of the above-captioned matter, Respondent admits to the following:

- a. From October 1, 2008, to September 12, 2009, I was employed by the New York City Department of Education (“DOE”) as the Chief Financial Officer. As such, I was at all relevant times hereafter mentioned a “public servant” within the meaning of Chapter 68.
- b. Sometime prior to October 1, 2008, I became financially involved with a private real estate investment, which investment I disclosed to DOE prior to my employment.
- c. From April 2009 through August 2009, I used technology resources assigned to me by DOE -- namely, my DOE e-mail account -- to send and receive e-mails related to that investment, including forwarding emails from my DOE e-mail account to my private G-mail account.
- d. In the summer of 2009, I was asked by a former colleague to provide professional advice regarding a private financial services firm at which he was then employed (the “Firm”) and at which Firm I became employed in September 2009 after leaving DOE.

- e. From sometime in July 2009 through sometime in September 2009, inclusive, I used technology resources assigned to me by DOE -- namely, my DOE e-mail account -- to send and receive e-mails related to my work on behalf of the Firm where I subsequently was employed.
- f. At the time of the e-mail communications at issue, I was not aware that using my DOE e-mail account for these private, non-City purposes violated Chapter 68 of the City Charter. I now acknowledge that, by using my DOE e-mail account for communications related to my private real estate investment and my work on behalf of the Firm, I violated Chapter 68, specifically City Charter § 2604(b)(2), pursuant to Board Rules § 1-13(b), which state respectively:

No public servant shall engage in any business, transaction or private employment, or have any financial or other private interest, direct or indirect, which is in conflict with the proper discharge of his or her official duties. [City Charter § 2604(b)(2)]

Except as provided in subdivision (c) of this section, it shall be a violation of City Charter § 2604(b)(2) for any public servant to use City letterhead, personnel, equipment, resources, or supplies for any non-City purpose. [Board Rules § 1-13(b)]

2. In recognition of the foregoing, Respondent agrees to the following:

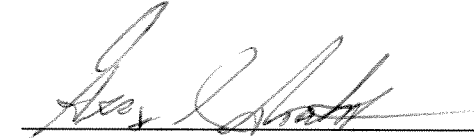
- a. I agree to pay a fine of Six Thousand Five Hundred Dollars (\$6,500) to the Board, by money order or by cashier, bank, or certified check, made payable to the "New York City Conflicts of Interest Board," at the time of my signing of this Disposition.
- b. I knowingly waive on my behalf and on behalf of my successors and assigns any rights to commence any judicial or administrative proceeding or appeal before any court of competent jurisdiction, administrative tribunal, political subdivision, or office of the City or the State of New York or the United States, and to contest the lawfulness, authority, jurisdiction, or power of the Board in imposing the penalty which is embodied in this Disposition, and I waive any right to make any legal or equitable claims or to initiate legal proceedings of any kind against the Board, or any members or employees thereof relating to or arising out of this Disposition or the matters recited therein.
- c. I confirm that I have entered into this Disposition freely, knowingly, and intentionally, without coercion or duress, and after having had the opportunity to be represented by an attorney of my choice; that I accept all terms and conditions contained herein without reliance on any other promises or offers previously made or tendered by any past or present representative of the Board; and that I fully understand all the terms of this Disposition.

- d. I agree that any material misstatement of the facts of this matter, including of the Disposition, by me or by my attorney or agent shall, at the discretion of the Board, be deemed a waiver of confidentiality of this matter.

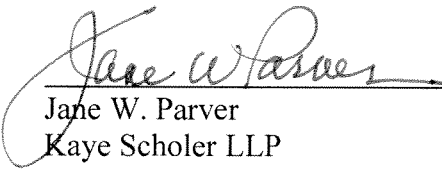
3. The Board accepts this Disposition and the terms contained herein as a final disposition of the above-captioned matter only, and affirmatively states that other than as recited herein, no further action will be taken by the Board against Respondent based upon the facts and circumstances set forth herein, except that the Board shall be entitled to take any and all actions necessary to enforce the terms of this Disposition.

4. This Disposition shall not be effective until all parties have affixed their signatures below.

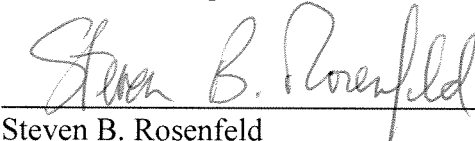
Dated: November 14, 2011

  
George Raab  
Respondent

Dated: November 16, 2011

  
Jane W. Parver  
Kaye Scholer LLP  
Counsel for Respondent

Dated: NOVEMBER 30, 2011

  
Steven B. Rosenfeld  
Chair  
NYC Conflicts of Interest Board